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TECHNICAL REPORT

# U.S.-China Strategic Dialogue, Phase IX Report



March 2018

Christopher Twomey et al.

Prepared by:
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# UNIT CONVERSION TABLE

## U.S. customary units to and from international units of measurement*

| U.S. Customary Units | Multiply by → / ← Divide by† | | International Units |
|---|---|---|---|
| **Length/Area/Volume** | | | |
| inch (in) | 2.54 | $\times 10^{-2}$ | meter (m) |
| foot (ft) | 3.048 | $\times 10^{-1}$ | meter (m) |
| yard (yd) | 9.144 | $\times 10^{-1}$ | meter (m) |
| mile (mi, international) | 1.609 344 | $\times 10^{3}$ | meter (m) |
| mile (nmi, nautical, U.S.) | 1.852 | $\times 10^{3}$ | meter (m) |
| barn (b) | 1 | $\times 10^{-28}$ | square meter ($m^2$) |
| gallon (gal, U.S. liquid) | 3.785 412 | $\times 10^{-3}$ | cubic meter ($m^3$) |
| cubic foot ($ft^3$) | 2.831 685 | $\times 10^{-2}$ | cubic meter ($m^3$) |
| **Mass/Density** | | | |
| pound (lb) | 4.535 924 | $\times 10^{-1}$ | kilogram (kg) |
| unified atomic mass unit (amu) | 1.660 539 | $\times 10^{-27}$ | kilogram (kg) |
| pound-mass per cubic foot (lb $ft^{-3}$) | 1.601 846 | $\times 10^{1}$ | kilogram per cubic meter (kg $m^{-3}$) |
| pound-force (lbf avoirdupois) | 4.448 222 | | newton (N) |
| **Energy/Work/Power** | | | |
| electron volt (eV) | 1.602 177 | $\times 10^{-19}$ | joule (J) |
| erg | 1 | $\times 10^{-7}$ | joule (J) |
| kiloton (kt) (TNT equivalent) | 4.184 | $\times 10^{12}$ | joule (J) |
| British thermal unit (Btu) (thermochemical) | 1.054 350 | $\times 10^{3}$ | joule (J) |
| foot-pound-force (ft lbf) | 1.355 818 | | joule (J) |
| calorie (cal) (thermochemical) | 4.184 | | joule (J) |
| **Pressure** | | | |
| atmosphere (atm) | 1.013 250 | $\times 10^{5}$ | pascal (Pa) |
| pound force per square inch (psi) | 6.984 757 | $\times 10^{3}$ | pascal (Pa) |
| **Temperature** | | | |
| degree Fahrenheit ($^oF$) | $[T(^oF) - 32]/1.8$ | | degree Celsius ($^oC$) |
| degree Fahrenheit ($^oF$) | $[T(^oF) + 459.67]/1.8$ | | kelvin (K) |
| **Radiation** | | | |
| curie (Ci) [activity of radionuclides] | 3.7 | $\times 10^{10}$ | per second ($s^{-1}$) [becquerel (Bq)] |
| roentgen (R) [air exposure] | 2.579 760 | $\times 10^{-4}$ | coulomb per kilogram (C $kg^{-1}$) |
| rad [absorbed dose] | 1 | $\times 10^{-2}$ | joule per kilogram (J $kg^{-1}$) [gray (Gy)] |
| rem [equivalent and effective dose] | 1 | $\times 10^{-2}$ | joule per kilogram (J $kg^{-1}$) [sievert (Sv)] |

*Specific details regarding the implementation of SI units may be viewed at http://www.bipm.org/en/si/.

†Multiply the U.S. customary unit by the factor to get the international unit. Divide the international unit by the factor to get the U.S. customary unit.

# U.S.-China Strategic Dialogue, Phase IX Report

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# PART 1: STRUCTURE AND BACKGROUND

The ninth annual session of the U.S.-China Strategic Dialogue was held in Oahu, Hawaii, from September 8-10, 2015. The dialogue is a Track 1.5 meeting; it is formally unofficial but includes a mix of government and academic participants. The dialogue is organized by the Naval Postgraduate School (NPS) and Pacific Forum CSIS (Center for Strategic and International Studies) and funded by the U.S. Defense Threat Reduction Agency's (DTRA) Project on Advanced Systems and Concepts for Countering WMD (PASCC) at NPS. For the fourth time, this meeting was also supported by a Chinese co-host, the China Arms Control and Disarmament Association (CACDA). This "non-governmental" association, with close ties to the Ministry of Foreign Affairs (MFA) and People's Liberation Army (PLA), helped improve the level and quality of participants and secure support for discussing certain topics.

As the lead agency responsible for addressing threats from weapons of mass destruction (WMD), DTRA seeks to enhance American situational awareness of Chinese nuclear strategies and capabilities, reduce the prospects for proliferation in Asia and beyond, and more broadly enhance American deterrence in a time of transformation. U.S. government interest in this project has focused on identifying important misperceptions, misunderstandings, and key divergences in national interests, with a goal of reducing these over the long term. Thus, the goal of this series of annual meetings has been to identify important misperceptions regarding each side's nuclear strategy and doctrine and highlight potential areas of cooperation or confidence building measures that might reduce such dangers. FOUO and public reports for the previous year's dialogues are available from this report's authors or the PASCC website.

In this meeting, participants on the Chinese side included a mix of active and retired senior PLA officers, officials from the MFA and Ministry of National Defense (MND), experts from government-run civilian Chinese think tanks, and scholars from Chinese universities. The U.S. delegation included participants from government, including Lawrence Livermore National Laboratory (LLNL) and National Defense University (NDU); think tanks such as Pacific Forum CSIS; and universities such as the University of California–San Diego. It also included observers from the State Department, the Joint Staff, USPACOM, USSTRATCOM, Global Strike Command, and DTRA, among others. In total, there were more than 25 American participants.

One of the goals of this series of meetings is to create a community of regular participants who develop accumulated learning and the personal trust needed to facilitate a more open discussion. This effort met with much success this year in frank, substantive discussions unhindered by boilerplate debates and the increasingly tense tenor of the overall bilateral relationship.

The meeting was organized around four substantive panels, which examined "Recent Changes in Strategic Environment and Policy Statements," "Strategic Stability in the Modern Era," "Missile Defense and Extended Deterrence," and "Ongoing and Near-term Confidence and Security Building Measures." These topics were developed in coordination with officials on both sides before the meeting and the dialogue's outcomes are routinely outbriefed within both governments.

## PART 2: NARRATIVE ANALYSIS

# General Perceptions of the U.S.-China Relationship

The general tenor of the meeting was positive and constructive. Throughout the planning phase and the dialogue itself, the Chinese delegation displayed strong support for engagement, repeatedly emphasizing the value of these bilateral Track 1.5 discussions. This year, for the first time, the Chinese side had planned to pay for five participants. Their delegation also expanded to include new participants from important organizations this year, including officials from several parts of the nuclear weapons community.

The Chinese side reiterated standard calls for a "new type of major country relations" (新型大国关系), though they recognized that the United States was unlikely to embrace that concept. One Chinese delegate stated that neither side was "experienced" in "addressing differences in either a U.S. or Chinese way." The delegate continued by noting that China is a "participant, contributor, and builder" of the international system, "though the system was built without China's involvement." Nevertheless, China respects U.S. "standing and influence" in the international system, and does not wish to replace the system with a Chinese alternative.

The Chinese delegation implied that the U.S. drive toward hegemony is reflected in its dominance of the global order and security architecture. Specifically, the rebalance and the deepening of U.S. alliances in the Asia-Pacific are consistent with hegemonic ambitions. These alliances in general were a deeper source of concern than in the past, with references made to fears of encirclement and a global order that is designed to constrain China. The Chinese delegation specifically called out the shift from bilateral to trilateral alliances as worrisome, along with India's Act East policy and its convergence with the U.S.'s rebalance. One delegate stated, "China is not trying to elbow the U.S. out of Asia, but the U.S. looks likely to check and contain China by utilizing the territorial disputes between China and its littoral neighbors." The delegate further expressed a belief that the 2015 Asia-Pacific Maritime Security Strategy was clearly aimed at China, and saw U.S. military deployments to the region as central to the rebalance. In contrast to the tenor of other bilateral contemporaneous engagements, U.S. "meddling" in the South China Sea was mentioned but not emphasized.

There seemed to be a new openness to "strategic stability" as traditionally understood in the United States (see "The Nuclear Dimension of U.S.-China Relations," below). There were modest restatements of concerns about the modernization of the U.S. nuclear arsenal, with the potential development of lower yield—and thus, more useable—warheads called out specifically. Military-to-military ties appeared to be an important priority for the delegation. However, internal U.S. political divisions were seen to inhibit cooperation and complicate relations. The State Department was viewed by Chinese interlocutors as obstructionist on military-to-military relations. USPACOM's and 7th Fleet's perceptions of China were viewed as divergent and in conflict with the White House's and OSD's views. The delegation also noted that Congress cancelled a visit by a U.S. aircraft carrier to China.

# China's Threat Perceptions and Regional Relations

## Broad Threat Perceptions

Compared to previous years, the Chinese delegation indicated that China sees a new complexity in the international security environment. According to one delegate, "peaceful rise" remains China's dominant national strategy, but terms such as "unpredictable future," "unprecedented," and "complexity" have crept into speeches by Chinese leaders. Nevertheless, China remains in a "period of strategic opportunity" for development, and according to the same delegate, the general assessment of the global security environment remains almost unchanged. As noted earlier, the Chinese delegation was careful to explain that China benefits from the existing global order and is not seeking to challenge it. There was a clear desire that all crises, no matter how fast moving, should be dealt with through the United Nations Security Council (UNSC). The Chinese delegation expressed pessimism regarding the likelihood of limiting nuclear proliferation within North Korea and South Asia. On the subject of Iran, however, the delegation noted approvingly that the State Department said that China played an important role and that the nuclear deal was a win-win result for the nonproliferation system.

There was a significant, increased emphasis on internal security concerns within China, consistent with the National Security Commission (NSC), the wide-ranging July 2015 national security law, and the May 2015 White Paper. One delegate noted that internal stability has become "more and more prominent" in China's security assessment and that "color revolutions against China" have been highlighted as a security threat. Most strategic risks are seen as internal and domestic, rather than external.

China's overseas interests were also emphasized by the Chinese delegation as a primary driver of Chinese national security assessments and developments. One delegate stated that "energy and resources, as well as institutions and persons abroad," have become an "imminent issue" that is "new in China's security perception." Another delegate stated that China is building military capabilities to defend its "security, sovereignty, and economic interests," though others in the delegation downplayed the role for the military in this process.

## Regional Alliances and Security Architecture

As noted earlier, the regional environment remains a challenge, and regional trends are fulfilling "China's anxiety about encirclement by so-called democratic states," according to one delegate. The Chinese delegation expressed concerns about the U.S.'s efforts to strengthen alliances in East Asia as well as in the South China Sea. More so than in previous years, they also discussed their concerns about North Korea and its impact on regional stability.

The Chinese delegation also noted that China's former tolerance of the U.S.'s bilateral alliances is waning because these alliances have lead the United States to become more involved in maritime disputes. They are also seen as increasingly multilateral and aimed at China. Questions were raised about the future of China's role in Asian security architectures and what the U.S. version of an "open and effective" architecture would look like. One delegate suggested that China's perspective on existing regional security arrangements is shifting because China has not been "positively incorporated" into what are seen as U.S.-led military alliances. When asked about the Conference on Interaction and Confidence Building in Asia (CICA), a delegate noted

that this was a continental organization, not maritime, and as such it would not be appropriate to admit the United States or Japan. Nevertheless, the Chinese delegation acknowledged that the U.S.'s Asian alliances play a positive role in regional stability by preventing the allies from developing nuclear weapons.

### Perceptions of Specific States

North Korea: North Korea was discussed as an opportunity for a constructive cooperation. Additional engagement at official channels might prove fruitful if the situation deteriorates there. US participants emphasized the importance of an ICBM capability for North Korea.

Japan: Compared to previous years, the Chinese delegation was surprisingly quiet on the topic of Japan. Japanese nationalism and militarism was barely mentioned, although Japan is listed as the number two threat in the current defense White Paper. Still, one delegate specifically called out the U.S.-Japan-Australia alliance as a source of concern for China.

Taiwan: With the 2016 elections in Taiwan on the horizon, one delegate stated, "Taiwan's independence is the biggest threat to China's peaceful development. After six or seven years of relaxation, the Taiwan issue is reemerging as serious security concern with coming presidential election and the prospect of a DPP [Democratic Progressive Party] victory in the election." However, behind the scenes engagement with the DPP is expected to help manage any political transition, and signals have been sent that mainland China would engage with "any Taiwan authorities that accept the One China policy."

Russia: In comparison to previous years, the Chinese delegation seemed to have cooled on Russia, and there appear to be new limitations in Sino-Russian relations. There were no implicit threats made about using Sino-Russian cooperation to work against U.S. interests, unlike in previous years. Nevertheless, China still views Russia as an important world player that must be included in decision-making during major crises.

## China's Security Apparatus Reforms

There was a brief discussion regarding changes to the PLA and other domestic security bodies. A planned reorganization of the PLA was expected to cut uniformed manpower by approximately 300,000. Some departments within the PLA were expected to shrink, particularly the General Armaments and General Logistics Departments. However, the reduction is primarily in non-combat troops and in the officer corps, with many expected to become civilian PLA employees instead.

On the subject of the NSC, one delegate reemphasized the domestic nature of the body. The delegate noted that there is still some uncertainly regarding roles and missions for the NSC, stating that there are "piles of social contradictions" in China that require greater attention to internal security and stability. Overall, the NSC was judged to be a work in progress intended to address shortcomings in decision-making process.

## The Nuclear Dimensions of U.S.-China Relations

### Chinese Force Posture: "Lean and Effective"

Maintaining a "lean and effective" nuclear force remains the guiding logic for China's modernization efforts. Nonetheless, some tension was acknowledged this year in how new capabilities might affect the balance between lean and effective. For instance, one delegate argued that Multiple Independently-Targetable Reentry Vehicles (MIRVs) represented a reflection of this challenge, stating that "sometimes lean is not consistent with effective. Maybe sometimes lean means ineffective." Hence, China's nuclear arsenal modernization may be aimed at rectifying this problem through an implied increase in size as well as an emphasis on improving effectiveness, reliability, and safety.

U.S. Ballistic Missile Defense (BMD) was cited as a main reason for Chinese modernization. In the words of one delegate, a "firmer shield leads one to develop a sharper spear." There was some discussion about what this might entail beyond quantitative increases, and interesting speculation about strategic bargaining and the increased leverage one obtains from a larger number of deliverable warheads.

## Chinese Declaratory Policy: No First Use (NFU)

Just as with force sizing, Chinese messaging on their NFU doctrine remained unchanged this year, if relatively muted. This standard messaging was accompanied by the traditional repeated calls from Chinese participants that Washington join Beijing in a joint NFU declaration. The Chinese side did not expand on what benefits would accrue to the United States beyond references to enhanced mutual trust and strategic stability. In reply to Chinese appeals, multiple U.S. participants reiterated Washington's standing policy on nuclear employment as laid out in the NPR and related documents.

## Strategic Stability and Evolving Technology

Unlike in previous meetings, there was a constructive discussion of strategic stability, which was characterized in terms that would be recognizable to a Western audience. The Chinese participants' previous reluctance to engage with the concept or terminology because it was a Cold War artifact is gone, with no outward rejection of it as a Cold War legacy. There still remained a recognition that strategic stability can be seen as embedded in a broader global context of interstate relations; one Chinese delegate noted that globalization has contributed to the need for strategic stability between the United States and China. The concept of mutual vulnerability was raised several times during the meeting. One Chinese delegate suggested that unlike the U.S.-Soviet relationship based in mutually assured destruction, the U.S.-China strategic stability is based in mutual vulnerability, even if that has not been explicitly acknowledged by the United States.

There was significant discussion regarding the role of emerging technologies in establishing and maintaining strategic stability. There was an interesting discussion regarding MIRVs and stability. One line of questioning addressed whether non-mated, MIRVed DF-5s could be considered destabilizing: if they were not mated, they would not be any more vulnerable during a crisis and thus would not be lost in a first strike and would be available for retaliation.

In addition to the discussion about MIRVing, there was more attention drawn to issues of competition and potential drivers and dynamics of arms racing by both sides. Questions related to the development and expansion of missile defense, improvements in space and cyber

capabilities, and modernization of nuclear arsenals were raised. These topics would be excellent candidates for deeper engagement, along with issues related to colocation of conventional and nuclear assets as well as ballistic missile submarine command and control and deployment.

### Extended Deterrence and Assurance

The Chinese delegation expressed a range of views on the reassurance piece of extended deterrence. Some delegates seemed more inclined to accept that missile defense is intended primarily for ally reassurance rather than to negate Chinese strategic forces. While some agreed that U.S. extended deterrence has more than likely reduced ally demand for nuclear weapons and other systems, such as Conventional Prompt Global Strike (CPGS) or an indigenous missile defense capability, other delegates argued that extended deterrence undermines nonproliferation by creating a camp of states that are not under the U.S. umbrella and that may thus feel compelled to develop nuclear weapons for self-defense.

As in previous meetings, there were questions about whether extended deterrence responses in a conventional conflict might include U.S. nuclear use or the use of CPGS. One U.S. delegate reiterated the U.S.'s stated policy that it would consider the employment of nuclear weapons when the vital interests of the U.S. or an ally were in jeopardy, to include the possibility that the U.S. would use nuclear weapons to defend an ally in a war that had otherwise been non-nuclear.

## Chinese Views of Missile Defense

### Views on U.S. Missile Defense

The deployment and development of a sophisticated U.S. BMD system has been an enduring concern for Chinese participants in this dialogue. Their concern is, in part, that once BMD technology and its supporting infrastructure are in place, the quantity of interceptors can rapidly increase. Thus, even if the U.S. BMD architecture as currently envisaged does not undermine China's nuclear deterrent, the potential for a rapid increase in number of interceptors coupled with future changes to U.S. policy fuels Chinese anxiety. In the words of one Chinese delegate, the "system itself, rather than current number, is key to the problem." Just as important, this concern leads to warnings that China will be forced to respond by increasing the survivability and penetrability of its arsenal. In particular, the delegate suggested that a "firmer shield requires a sharper spear," pointing out that U.S. BMD could stimulate countermeasure work.

According to multiple Chinese delegates, Beijing is more concerned with U.S. BMD radars than the interceptors themselves. Terminal High Altitude Area Defense (THAAD) systems, X-band, and other detection capabilities are seen as part of a larger system of systems, which include early warning, tracking, C2, interception, and evaluation assets. From the Chinese perspective, this integrated system could be combined quickly and easily with greater interceptor numbers to place China's second-strike capability in jeopardy, thus increasing the incentive for a U.S. first strike. In this situation, U.S. reassurances on interceptor numbers alone are insufficient, even more so because many Chinese believe the SM-3 family of missiles to be highly capable.

As in the past, recent and prospective deployments of THAAD and X-band systems to the Asia-Pacific region generated focused ire from the Chinese delegation. These capabilities are seen as highly problematic, destabilizing, and not purely aimed at North Korea. Chinese participants did

recognize that U.S. theater missile defense (TMD) played a role in defending against North Korean ballistic missile threats as well as conventional Chinese missiles—a point similarly acknowledged by their U.S. counterparts. Despite mutual recognition, however, the Chinese still voiced deep concerns about TMD's strategic implications. Chinese delegates voiced concern that THAADs range and detection capabilities exceeded the requirements for the peninsula and allowed for surveillance of Chinese missile tests. One delegate also worried that X-band systems would be useful for U.S. early warning and response vis-à-vis China, since they could decrease the time needed between detection and interceptor launch. With particular reference to North Korea, the Chinese side feared that continued BMD deployments would drive quantitative increases in North Korean missiles and qualitative improvements in their warhead survivability and penetrability. This development, they warned, would raise the chances for the proliferation of advanced missile technology from North Korea to other states.

### Views on Chinese Missile Defense

Chinese discussion of their own BMD advances was limited, but participants added some nuance to points made at previous meetings. First, the system was positioned within a wider worldwide trend guided by natural technological imperatives to develop BMD. The Chinese pointed to research and development in the United States, Russia, and India as primary examples. Secondly, Chinese participants argued that their system was useful in helping enhance their understanding and development of countermeasures to defeat foreign systems. Some on the Chinese side, one delegate also indicated that BMD might be used for "point defense to protect [Chinese] strategic forces and enhance survivability." Furthermore, in response to a question on India, a delegate noted that a point defense system would be especially helpful vis-à-vis New Delhi.

## Steps Forward

Participants on both sides valued the mil-to-mil linkages that had been created over the past few years. Specifically, two Chinese delegates believed it unlikely that these ties would be held hostage to other issues in the bilateral relationship. Institutionalized and routinized channels were held in particularly high regard—hotlines had been used and were viewed positively (more so than ones with Russia)—and there seems to be wide-ranging scope for future expansion of mil-to-mil relations. Nevertheless, both sides expressed some concerns. Some Chinese questioned the asymmetric nature and benefits of confidence and security building measures (CSBM) notifications. For example, interception protocols were currently only employed near and around China. For one delegate, this simply enabled the U.S. military to operate more safely during its "deterrence strengthening" operations and close-in encounters with PLA forces. Unsurprisingly, multiple delegates pointed to limitations placed on U.S.-China cooperation by the 2000 NDA, but they also raised complaints regarding recently published U.S. Air Force regulations that were seen to limit mil-to-mil activities.

In the nuclear arena, prospects for a true Track 1 dialogue on strategic issues still seemed far off. While neither side evinced much enthusiasm for a meeting soon, U.S. and Chinese participants did discuss who should be in the room and what topics might be considered. For example, one U.S. participant noted that a Track 1 would require greater specificity from the Chinese in order to ascertain what the technical parameters of stability in the nuclear relationship might be. One Chinese participant recommended a mutual reassurance agreement in which the United States

pledged to maintain the credibility of China's second strike while China pledged to keep its arsenal small. Given this preliminary conversation, it seems worthwhile to begin crafting a prospective agenda and determining the topics and parameters for discussion, such as what the U.S. might wish to request in terms of transparency on warhead numbers. Both sides might also consider ruling out topics and deciding which Track 1 entities should be in the room for a meeting. Additionally, the Chinese side seemed to accept the possibility of using existing bilateral forums to discuss nuclear issues in more depth, rather than creating new mechanisms.

A specific suggestion viewed positively by both delegations involved each side selecting a CSBM to discuss at the Track 1 level. The Chinese would be likely to request an official discussion of the merits and potential for a joint NFU declaration. Suggestions for the U.S.-backed discussion ranged from a joint technical assessment of U.S. BMD capabilities to a joint threat analysis of North Korea's ballistic missile threat.

## PART 3: MEETING AGENDA

**Sept 9**

0815-0845 **Welcome Remarks: Outlining Common Strategic Interests**

0845-1015 **Recent Changes in Strategic Environment and Policy Statements**
What are American and Chinese perceptions of recent developments in the regional and global strategic environment? Chinese policy documents continue to increase the depth of discussion on its strategic policy with the publication of *China's Military Strategy* in May 2015 and the 2013 version of the *Science of Strategy*/战略学. The *National Security Outline* has also been finalized and discussed in the Chinese press. U.S. policy continues to be promulgated through documents such as the 2015 National Military Strategy and National Security Strategy and the 2014 Quadrennial Defense Review. What new can be learned from these recent statements? What threats or developments in international security environment are these military policies (of both countries) trying to respond to and how do they do so?

1015-1030 *Break*

1030-1230 **Strategic Stability in the Modern Era**
The two sides have discussed strategic stability at the track 2 level and are starting to do so at the track 1 level. What areas of mutual understanding have the two sides developed? What are the major areas of differing views? How does each side envision its military modernization enhancing strategic stability? What can each side do (or refrain from doing) that would enhance it?

1730 *Reception and Dinner*

**Sept 10**

1015-1230 **Missile Defense and Extended Deterrence**
In past discussions, it is clear that missile defense capabilities raise both regional issues as well as issue in the global bilateral relationship. How does each side see missile defense as contributing to their own national defense? How does each side see missile defense supporting (or affecting) extended deterrence in Asia? Are there prospects for mutual accommodation of diverging views on this issue?

1230-1330 *Lunch*

1330-1500 **Ongoing and Near-term Confidence and Security Building Measures**
What are each side's views on the utility of the current military CSBMs being implemented in the wake of the Sunnylands summit of 2013? How can progress in this regard be extended to the strategic realm?

1500-1530 **Implications and Ways Forward**